GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:748
ANSWERED ON:03.12.2015
Promotion of Renewable Energy
Chudasama Shri Rajeshbhai Naranbhai;Sanjar Shri Alok

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

renewable power generation capacity during the Twelfth Five Year Plan, if so, the details thereof;
(b) the steps taken by the Government to attract domestic and foreign investment in view of the target fixed for generation of 2500 megawatt of power through new and renewable energy sources;
(c) whether the Government has formulated any action plan to provide additional incentives in this sector, if so, the details thereof;
(d) the other steps taken by the Government to attract more investment in renewable energy sector to achieve these targets;
(e) whether the efforts made/being made by the Government to promote non-conventional energy have borne the desired results;
(f) if so, the details thereof along with the steps taken by the Government to encourage the end users to opt for non-conventional energy?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): The physical targets for grid interactive renewable power for 12th Five Year Plan (2012-17) was 30 GW, i.e. 10 GW for solar, 15 GW for wind and 5 GW for other renewable energy sources. The Government has up-scaled the target of renewable energy capacity to 175 GW by the year 2022 which includes 100 GW from solar, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro-power.
(b)&(c): To attract the investment in renewable energy sector, Government provides incentives in the forms of generation based incentives/subsidies, viability gap funding from NCEF, fiscal incentives such as accelerated depreciation, concessional customs duty, excise duty exemptions, income tax holiday
..2/-
-2-
for 10 years and preferential tariff for renewable energy power projects. Besides, MNRE organized a Global Renewable Energy Investment Promotion Meet (REINVEST) in February, 2015 to showcase the potential and policy options available in the RE sector wherein commitment from power producers, manufacturers and financial institutions were received for investments in the solar energy, wind energy, small hydro and bio energy sectors.
(d): In addition to the ongoing policies and programmes of the Government in RE sector, several policy measures initiated recently by the Government to achieve this up-scaled target, inter-alia, include suitable amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation (RPO) and for providing Renewable Generation Obligation (RGO); setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor project; identification of large government complexes/ buildings for rooftop projects; provision of roof top solar and 10 percent renewable energy as mandatory under Mission Statement and Guidelines for development of smart cities; amendments in building bye-laws for mandatory provision of roof top solar for new construction or higher FAR; infrastructure status for solar projects; raising tax free solar bonds; providing long tenure loans; making roof top solar a part of housing loan by banks/ NHB; incorporating measures in Integrated Power Development Scheme (IPDS) for encouraging distribution companies and making net-metering compulsory and raising funds from bilateral and international donors as also the Green Climate Fund to achieve the target.

(e)&(f): The cumulative capacity of renewable energy has significantly enhanced by 43.6% during the last three years from 24,914 MW, as on 1.4.2012 to 35776 MW, as on 31.3.2015. To encourage the end users to opt for renewable energy, Reserve Bank of India vide its circular dated 23rd April, 2015 has issued revised guidelines for all scheduled commercial banks for (i) inclusion of renewable energy in categories of priority sector, in addition to existing categories, and (ii) bank loans up to a limit of Rs 15 crore to borrowers for purposes like solar based power generators, biomass based power generators, wind mills, micro-hydel plants and for non-conventional energy based public utilities viz. street lighting systems, and remote village electrification and for individual households, the loan limit will be Rs 10 lakh per borrower are made eligible for inclusion in this category. Ministry of Finance (Department of Financial Services) has also advised all banks to encourage home loan/home improvement loan seekers to install roof top solar PVs and include the cost of equipment in their home loan proposals just like non solar lighting, wiring and other such fittings.
******